

FIRST REGULAR SESSION

# SENATE BILL NO. 602

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR KENNEDY.

Read 1st time February 27, 2007, and ordered printed.

TERRY L. SPIELER, Secretary.

1413S.03I

## AN ACT

To amend chapter 144, RSMo, by adding thereto one new section relating to a sales tax exemption for aviation jet fuel consumed on transoceanic flights.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Chapter 144, RSMo, is amended by adding thereto one new  
2 section, to be known as section 144.806, to read as follows:

144.806. 1. In addition to the exemptions granted pursuant to the  
2 provisions of section 144.030, there shall also be specifically exempted  
3 from the provisions of sections 144.010 to 144.525, sections 144.600 to  
4 144.748, section 144.805, and section 238.235, RSMo, and the provisions  
5 of any local sales tax law, as defined in section 32.085, RSMo, and from  
6 the computation of the tax levied, assessed, or payable pursuant to  
7 sections 144.010 to 144.525, sections 144.600 to 144.748, and section  
8 238.235, RSMo, and the provisions of any local sales tax law, as defined  
9 in section 32.085, RSMo, all aviation jet fuel sold to an air common  
10 carrier for immediate consumption or shipment in the conduct of its  
11 business as an air common carrier or affiliate carrier, on a  
12 transoceanic flight. As used in this subsection, the term "immediate  
13 consumption or shipment", shall mean that the delivery of the aviation  
14 jet fuel by the seller is directly to an aircraft for consumption or  
15 transportation on a transoceanic flight and not for storage by the  
16 purchaser or any third party. The term "transoceanic flight" shall mean  
17 a flight destined for or continuing from a location situated on the other  
18 side of the Atlantic or Pacific ocean.

19 2. To qualify for the exemption prescribed in subsection 1 of this  
20 section, the air common carrier shall furnish to the seller a certificate  
21 in writing to the effect that an exemption pursuant to this section is

22 applicable to the aviation jet fuel so purchased, stored, used, and  
23 consumed.

24       3. For purposes of determining eligibility for the state sales and  
25 use tax exemption on aviation jet fuel provided under section 144.805,  
26 sales of such fuel for transoceanic flights exempt from taxation under  
27 this section shall be treated as though subject to sales tax and such tax  
28 shall be deemed paid for purposes of calculating the maximum  
29 aggregate calendar year amount of state sales and use tax required for  
30 the exemption provided under section 144.805, however, no state sales  
31 or use tax liability shall accrue for purchases of fuel exempted under  
32 this section.

33       4. The director of revenue shall adopt appropriate rules and  
34 regulations to implement the provisions of this section. Any rule or  
35 portion of a rule, as that term is defined in section 536.010, RSMo, that  
36 is created under the authority delegated in this section shall become  
37 effective only if it complies with and is subject to all of the provisions  
38 of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This  
39 section and chapter 536, RSMo, are nonseverable and if any of the  
40 powers vested with the general assembly pursuant to chapter 536,  
41 RSMo, to review, to delay the effective date, or to disapprove and annul  
42 a rule are subsequently held unconstitutional, then the grant of  
43 rulemaking authority and any rule proposed or adopted after August  
44 28, 2007, shall be invalid and void.

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